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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 07/06/06

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3) Prime Minister's Official Residence (Kantei)

NIHON KEIZAI (Page 2) (Full)

July 6, 2006

06:31

Arrived at Kantei.

07:16

Met Chief Cabinet Secretary Abe and Assistant Deputy Chief Cabinet Secretary Ando. Later, attended a Security Council meeting.

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10:15

Met Asahi Shimbun columnist Yoichi Funahashi. Followed by

Agriculture, Forestry and Fisheries Minister Nakagawa, METI Minister Nikai, and others.

11:23

Deputy Foreign Minister Yabunaka, and Disarmament, Non-proliferation and Science Department Deputy Director General Nakane. Attended a Security Council meeting.

12:10

Met Deputy Chief Cabinet Secretary Futahashi, Cabinet Affairs Office Director General Shibata, and others.

14:19

Met Afghanistan President Karzai, with Japan International Cooperation Agency President Sadako Ogata and others present..

15:37

Joined the videotaping of the program "Challenged Japan Forum 2006 International Conference." Later met Jiji Press President Hiroshi Izumi and chief editor Sadafumi Tani.

16:06

Met Lower House member Toshikazu Matsuoka. Followed by the Benin president

17:18

Met Agriculture Minister Nakagawa and others. Followed by Abe.

19:04

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Met at his official residence with Health, Labor and Welfare Minister Kawasaki, the Welfare and Labor Committee chairmen of the Lower and Upper House, ruling party directors, and others, joined by Abe.

4) Nukaga, US secretary of defense pledge continued cooperation

TOKYO SHIMBUN (Page 2) (Full)

July 6, 2006

Defense Agency Director General Fukushima Nukaga and his US Secretary of Defense Rumsfeld yesterday evening discussed North

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Korea's missile launches for about ten minutes on the phone. The two defense chiefs agreed that the two countries would continue to closely cooperate with each other in responding to the issue. During the conversation Nukaga stressed, "The Japanese government will deal with North Korea's provocative act in a severe manner." Rumsfeld responded: "It is good that cooperation between US forces in Japan and the Pacific Command is going well. It is only natural for us to act in concert."

5) US Ambassador to Japan Schieffer: US considering all options in response

SANKEI (Page 3) (Full)

July 6, 2006

US Ambassador to Japan Thomas Schieffer yesterday held a press conference about North Korea's missile launches at the US Embassy at Akasaka, Tokyo. He stated: "The US will discuss sanctions with the Japanese government and other friendly countries. The US will consider all options."

Schieffer did not rule out the possibility of using armed force, saying: "Resolving the matter with diplomatic efforts is desirable, but the US is responsible for protecting the citizens of a friendly country."

When asked about responses the Japanese and US governments and relevant organizations have taken after the missile launches, the ambassador said, "Both sides are working in unprecedentedly close cooperation to exchange intelligence. The US and Japan have an extremely close relationship." He expressed gratitude for Japan's responses.

6) Japan to present a draft UN resolution condemning North Korean missile launches; Seventh missile lands in Sea of Japan

ASAHI (Top play) (Excerpts)

July 6, 2006

The UN Security Council held an emergency meeting on the morning of July 5 (in the late hours of July 5, Japan time) at Japan's request to discuss North Korea's missile launches. In the afternoon, Japan will present a draft UN resolution condemning North Korea. Prior to this, Foreign Minister Taro Aso had telephone conversations with his counterparts of the United States, China, South Korea, and Russia to seek their support for an adoption of the resolution. Meanwhile, the Defense Agency announced last evening that North Korea had launched another missile at around 5:20 p.m. and that landed in the Sea of Japan. A senior Defense Agency official said, "We believe it was either a Scud or a Rodong." North Korea launched a total of seven

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missiles yesterday. Prime Minister Junichiro Koizumi said disapprovingly last evening, "For whatever reason, the lunches won't benefit North Korea." The government is considering additional economic sanctions following its nine-item sanctions, including a ban on port calls for six months by the North Korean cargo-passenger ship Man Gyong Bong-92.

7) Government to consider additional sanctions against North Korea

ASAHI (Page 1) (Excerpts)
July 6, 2006

The government will consider additional economic sanctions related to finance and trade after carefully monitoring UN Security Council discussion and North Korea's response. The focus will shift to the suspension of cash remittances to the North in accordance with the Foreign Exchange and Foreign Trade Control Law.

The government adopted yesterday a set of nine items, including a ban on port calls by the Man Gyong Bong-92 ferry, as the first step against North Korea. Chief Cabinet Secretary Shinzo Abe announced in a press conference yesterday, "The government will consider all sanctions. Suspending cash remittances is one option."

People bringing cash out of Japan are required to report it. But if the government judged it necessary for the security of Japan, it can adopt a permission system to apply it to specific countries under the Foreign Exchange and Foreign Trade Control Law. The government can also apply a permission system to trade with certain countries.

Once the cabinet adopts economic sanctions under the Foreign Exchange and Foreign Trade Control Law, the Economy, Trade and Industry Ministry can suspend trade with North Korea. Economy, Trade and Industry Minister Toshihiro Nikai announced that the ministry would consider measures, including the suspension of trade with the North. Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa also indicated that marine products from North Korea should be subject to sanctions.

8) US assistant secretary of state to travel to Japan, China, ROK, Russia for consultations, considering putting pressure by forming a "coalition of the willing" toward DPRK

NIHON KEIZAI (Page 3) (Excerpts)
July 6, 2006

Hidenori Kato, Washington

The Bush administration will send Assistant Secretary of State Hill for East Asia and the Pacific, the chief negotiator in the six-party talks, to Japan, China, South Korea, and Russia to discuss how to deal with North Korea. Hill will likely depart the United States on July 5. He will discuss how to resume the now stalled six-party talks in each country he will visit. In Japan, he is expected to discuss sanction measures with Japanese officials.

The US intends to step up pressure on North Korea by taking advantage of such international fora as the United Nations Security Council (UNSC) and the Group of Eight industrialized nations summit conference (G-8 Summit at St. Petersburg). Washington wants to encircle North Korea by involving China, which has a strong influence over North Korea, and other countries, but depending on

circumstances, the US may do so under a "coalition of the willing."

The first such diplomatic occasion comes on July 5 at the UNSC. Next week and after, the G-8 Summit will take place, followed by the ASEAN Regional Forum (ARF) foreign ministerial session. Secretary of State Rice is considering making a round of visits to Japan, China, and South Korea. A high-level US government official has revealed that coordination is underway for the G-8 Summit to release a statement that will refer to North Korea's missiles.

The US government's basic position is that bilateral talks between the US and North Korea are likely if North Korea returns to the six-party talks. This position remains the same.

9) Challenges left behind in missile counteraction

ASAHI (Page 4) (Abridged)
July 6, 2006

North Korea's launch of missiles, including a Taepodong-2 missile, took place when Japan and the United States were building a missile defense (MD) system in the wake of North Korea's launch of Taepodong-1 missiles in 1998. Around May, US reconnaissance satellites spotted North Korean preparatory moves for launching missiles. In response, Japan went on the alert. This made it possible for the Japanese government to take action without delay, according to an official. However, the missile aftermath has also left challenges to address, such as how to inform local governments and communities. Another problem remaining is what to do about consistency with Japan's constitutional constraints on its use of the right of collective self-defense.

The first missile was launched into the Sea of Japan from North Korea's southeastern area at around 3:30 a.m. yesterday. At 3:52 a.m., about 20 minutes later, Prime Minister Koizumi received a report of the missile launch from a secretary via US Forces Japan (USFJ). At almost the same time, the government issued an emergency warning to call up senior officials from various ministries and agencies.

At 4 a.m., the government set up an emergency task force at the prime minister's office. Shortly thereafter, Chief Cabinet Secretary Abe, Defense Agency Director General Nukaga, and Foreign Minister Aso arrived there. At 5 a.m., the task force held a meeting to analyze the missile's type and landing point. North Korea's intent was also analyzed there. The government announced the missile launches at 6:15 a.m., 2 hours and 45 minutes after the first missile was launched. The announcement was made in a press conference with Abe at the prime minister's office.

When North Korea launched the Taepodong-1 in 1998, the government had no manual in particular, according to Deputy Assistant Chief Cabinet Secretary Kyoji Yanagisawa. This time, the government could readily get in touch with officials to call them up, Yanagisawa explained.

10) US military intelligence in real time

ASAHI (Page 4) (Abridged)
July 6, 2006

The Defense Agency secured intelligence in real time from US

military early-warning satellites on North Korea's missile launches. The Maritime Self-Defense Force had an Aegis-equipped destroyer on stage in the Sea of Japan, where the MSDF destroyer teamed up with a US Navy Aegis ship and they tracked the paths of the launched missiles.

When North Korea launched a Taepodong-1 missile in 1998, the missile landed at a point off the coast of Sanriku. At the time, only the US

military could grasp the missile's landing, and the Defense Agency was belatedly informed of the missile launch. This event made Japan and the United States decide to deepen their MD cooperation.

US Forces Japan (USFJ) plans to deploy the USS Shiloh to the US Navy's Yokosuka base in Kanagawa Prefecture in August. The Shiloh is an Aegis ship loaded with Standard Missile 3 (SM-3) missiles against Rodong and other missiles with a range of 1,000 kilometers. USFJ will also deploy Patriot Advanced Capability 3 (PAC-3) surface-to-air guided missiles to the US Air Force's Kadena base in Okinawa Prefecture within the year. Japan has also decided to introduce PAC-3s from the United States at the end of the current fiscal year and SM-3s by the end of next fiscal year.

Japan and the United States will also hurry to lay down a monitoring system. USFJ has installed a mobile early warning radar system, called X-band radar, at the Air Self-Defense Force's Shariki Detachment base in Aomori Prefecture. Its test operation started in late June earlier than scheduled. Japan and the United States will share radar-detected intelligence. However, there may be a case where the United States, based on intelligence from Japan, shoots down a Taepodong-2 missile launched at the United States, and vice versa. In this case, however, the question is whether it corresponds to participation in collective self-defense. There were arguments on this even before the government decided to introduce an MD system. This problem has yet to be cleared. However, Japan and the United States are going to conclude an intelligence sharing agreement this summer.

11) North Korea likely to test-fire another Taepodong-2 missile

YOMIURI (Page 3) (Abridged)
July 6, 2006

The Japanese and South Korean governments announced yesterday that the launch of a Taepodong-2 missile might have ended in failure. North Korea has a missile that can reach the US mainland. North Korea probably wanted to show off that missile. If the Taepodong-2 missile crashed into the Sea of Japan shortly after it was launched, it means that North Korea's aim has gone wrong. North Korea has developed the Taepodong-2 as a card to play with the United States. However, its efficacy has weakened, according to one South Korean professor. However, this professor also noted that North Korea could test-fire another Taepodong-2 missile to recover the failure.

However, there is also a cautious view. "North Korea might have held down the missile's range so that Japan and the United States will not take an extremely strict stance," said a North Korea expert at a South Korean think tank on national defense. This South Korean expert recounted that North Korea avoided landing the Taepodong-2 missile at the US mainland for fear of US counterattacks and that North Korea calculated the missile's flying distance and only test-fired it in an aim to show off its missile attack capability while bearing in mind its proposal to hold talks with the United

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States in the future. Another South Korean professor also supports that view, saying North Korea must be prepared for war with the United States if the Taepodong reached Alaska.

This time, North Korea, unlike its previous launch of a Taepodong-1 missile in 1998, launched not only a Taepodong-2 missile but also many other short-range missiles, including Scud and Rodong missiles, at the same time. There is no doubt that North Korea intended to show off its military power to the full.

Another South Korean professor surmises that the launch of those short- and intermediate-range missiles, which were certain to be successfully launched, was a kind of "insurance" for the Taepodong-2 missile's potential failure.

12) Defense Agency alarmed at North Korea's improved missile technology

NIHON KEIZAI (Page 3) (Excerpts)
July 6, 2006

The Defense Agency and the Self-Defense Forces have been monitoring, in concert with US military forces, North Korea's preparations for missile launches, after having grasped signs of such at an early stage. Although the US military speedily notified the Defense Agency of the North's confirmed missile launches, the agency lacks the means to intercept them at present. Japan intends to expedite the deployment of a missile defense system in collaboration with the United States in order to enhance its air defense system.

The Defense Agency learned of the North's first missile launch from the US military shortly after 3:30 a.m. yesterday. A US early warning satellite detected the missile's heat with its infrared rays. The Maritime Self-Defense Force's Aegis vessel carrying high-performance anti-aircraft radar capable of tracking and recovering missiles confirmed the North Korean missile's wake. The MSDF and the Air Self-Defense Force used their electronic surveillance aircraft to gather intelligence by monitoring North Korea's signals.

US forces in Japan has also deployed Aegis vessels and the missile observation vessel Observation Island to the Sea of Japan. Electronic surveillance aircraft RC-135S (Cobra Ball) is also believed to have detected the missiles' tracks with infrared rays.

Although the Taepodong-2 is said to be capable of reaching parts of the continental United States, such as Alaska, the one launched yesterday landed in the Sea of Japan about 600 to 700 kilometers from North Korea's test site. Because Japanese and US Aegis radars did not detect any signs of its first-stage booster falling, observers believe that the missile failed to separate from its booster and landed in the sea after flying only a short range.

Nevertheless, the Defense Agency is highly alarmed at North Korea's steady development of missile technology. An analyst said: "The Taepodong missile launched by the North might have been able to fly over Hokkaido if conditions had been right, such as the launching angle."

13) Government's measures against North Korea (full text)

MAINICHI (Page 5) (Full)

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July 6, 2006

The government yesterday adopted the following set of measures against North Korea for launching missiles:

1. Japan will continue to express its regret at every level and protest to North Korea. It will also call on the North not to carry out another missile firing and to suspend and scrap its missile development program, as well as to embargo missiles. Japan will urge Pyongyang to confirm the missile-launch moratorium, act in line with it, and return to the six-party talks swiftly and unconditionally.
2. The Mangyongbong-92 has been banned from calling at Japanese ports.
3. North Korean officials will not be allowed to enter Japan in principle. Regarding other entry cases, strict examination will be carried out. In addition, if North Korean ships call at Japanese ports, their crewmembers will not be allowed to make a land in principle.
4. North Korean officials currently in Japan will in principle be prohibited from re-entering Japan after heading to North Korea.
5. Japanese government officials are requested in principle to suspend any trips to North Korea for the time being, and Japanese nationals will be requested to refrain from going to that nation.
6. Chartered flights' entry from North Korea into Japan will not be allowed.
7. Japan will continue to take strict export-control measures to prevent a proliferation of missiles and nuclear weapons involving North Korea.
8. Stern legal measures pertaining to illegal acts by North Korea will continue to be taken.
9. Japan will look into additional sanction measures while watching North Korea's future moves, including its response.

14) Korean Residents Union in Japan to announce decision to retract reconciliation with General Association of Korean Residents in Japan

YOMIURI (Page 38) (Excerpts)
July 6, 2006

The recent reconciliation between the pro-Seoul Korean Residents Union in Japan (Mindan) and the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun) caused many local chapters of Mindan to react strongly. Mindan has now decided to withdraw the reconciliation, and it will formally announce its decision as early as today.

A person affiliated with Mindan told the Yomiuri Shimbun yesterday: "We made the final decision due to (North Korea's) launch of missiles." The historical reconciliation after 50-year-confrontation between the two groups of Korean Residents in Japan is to be withdrawn after a month and a half.

In the reconciliation statement revealed on May 17, Mindan and Chongryun agreed to cooperate for ethnic unity. They also agreed on six points such as joint participation in the June 15 ethnic unification ceremony commemorating the 2000 South-North Korea summit.

Meeting opposition by its regional chapters, Mindan gave up on its participation in the June 15 ceremony. In a special meeting of its central committee on July 24, Mindan leader Ha Byong Ok said, "The

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reconciliation has now returned to square one."

15) North Korea's missile launches: Tough views dominant in LDP; Attention being paid to Abe's capability, with eye on presidential race

MAINICHI (Page 5) (Excerpts)
July 6, 2006

The news of North Korea's ballistic missile launches has sent shock waves across the political world. Especially in the Liberal Democratic Party, hard-line views are dominant. Some members, though, are calling for caution in invoking sanctions, fearing that (the international community) might have to launch a military attack if the North resorts to violence in reaction. Such cautious voices, however, have been drowned out by others inflamed with anger. In the LDP presidential election, North Korea issues will inevitably be the top issue. Attention is being paid to what capabilities Chief Cabinet Secretary Shinzo Abe and Foreign Minister Taro Aso will demonstrate in working out the government's response measures. Their skillfulness will likely affect the outcome of the presidential race.

The LDP held a meeting of officials in charge of defense and foreign policies, as well as from the Cabinet Offices yesterday afternoon. At the outset, former Foreign Minister Nobutaka Machimura stated: "Japan has dealt with that nation based on the "dialogue and pressure" principle. From now, pressure will prevail." In the meeting that lasted for about one hour and 20 minutes, views calling for tough measures erupted, such as: "The North Korean ferry Mangyongbong-92 should be prohibited from Japanese ports forever, not just for six months;" and "Serious sanction measures should be taken."

Former Defense Agency Director General Shigeru Ishiba, though, called for caution, though such views are in the minority. Ishiba said:

"A tough stance should be taken after arrangements are fully prepared to prevent anyone from being sacrificed, and on the assumption of every possible situation. Keeping in mind that a military attack could occur, satisfactory measures must be worked out to avoid such a risk; otherwise, a serious outcome could be brought about."

The LDP and the New Komeito set up the ruling camp's taskforce to deal with North Korea's missile issue, headed by LDP Secretary General Tsutomu Takebe, and confirmed that they would support such measures as economic sanctions by the government and a referral of the issue to the United Nations Security Council. The House of Representatives' Security Committee in its directors meeting decided to carry out a questioning session with the participation of Foreign Minister Aso and JDA Director General Fukushima Nukaga on July 6.

16) Minshuto head Ozawa cautious about sanctions against North Korea; JCP, SDP positive

MAINICHI (Page 5) (Full)
July 6, 2006

Tatsuo Eto, Tienchin

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Asked by reporters about economic sanctions against North Korea, which launched a set of missiles, Ichiro Ozawa, president of the main opposition party Minshuto (Democratic Party of Japan), who is now visiting China, took a cautious stance, saying, "It's not that simple to impose sanctions," stressing a stance of giving priority to dialogue rather than pressure.

Ozawa pointed out: "Economic sanctions would lead to coercion and the use of military force. The public should consider such in a calm manner." He commented on the government's sanction policy: "I want to ask the government whether it is serious. I think at present that the issue should be resolved through discussion by taking advantage of the six-party talks."

Ozawa met yesterday in haste with Li Chun, head of the International Bureau of the Chinese Communist Party. He requested that China tell North Korea to stop provocative actions in East Asia that threaten peace and to resolve the issue at the six-party talks. He is expected to meet again today with Wang Jiarui, head of the International Department of the Chinese Communist Party's Central Committee, to tell him the importance of dialogue.

Ozawa appears to be concerned about a possibility that Pyongyang may pose a danger for Japan as retaliation against Tokyo's economic sanctions.

In the largest opposition party, however, many other lawmakers favor economic sanctions. The dominant view in a meeting yesterday of the party's task force was that the government should take more tough measures.

Japanese Communist Party Chairman Kazuo Shii said, "It is possible to take appropriate measures, including economic sanctions."

Social Democratic Party Chairperson Mizuho Fukushima made this comment, "It is inevitable that sanctions be taken."

17) Security issue to become major campaign issue in LDP presidential race; Election set on Sept. 20

NIHON KEIZAI (Page 2) (Full)
July 6, 2006

North Korea's firing of missiles will likely effect the Liberal Democratic Party (LDP) presidential election in September. It is certain that frosty relations between Japan and China and between Japan and South Korea and security issues will become main campaign issues. Chief Cabinet Secretary Shinzo Abe and Foreign Minister Taro Aso have top responsibility now for handling the North Korea issue. The possibility is that if they make any mistake in judgment, they will come under fire from the public.

The LDP formally decided yesterday that the official campaign for the presidential election would begin on Aug. 30 with the election scheduled for Sept. 20. However, the North Korean missile issue is gradually affecting moves by candidates.

In the wake of the North Korea's launch of missiles, the Niwa-Koga, Tanigaki and Kono factions in the LDP have put off a planned meeting today of their senior members. Aso and Finance Minister Sadakazu Tanigaki were expected to attend the meeting.

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In the ruling camp, there are two separate views: one is that Abe is now being exposed on spotlight and the missile issue would give a positive impact on Aso, and the other is that if Abe and Aso fail, they will suffer the effects.

18) WTO director general visits Japan for first time; Japan unlikely to make concessions on agricultural tariff cuts

ASAHI (Page 12) (Excerpts)
July 6, 2006

Pascal Lamy, director general of the World Trade Organization (WTO), yesterday came to Japan. He is expected to meet with Prime Minister Koizumi and Chief Cabinet Secretary Abe and urge them to make a concession on the call for cutting tariffs on agricultural products in order to bring progress to the stalemated multilateral trade liberalization talks (Doha Round). However, the Minister of Agriculture, Forestry and Fisheries (MAFF) and other concerned ministries are determined to take a wait-and-see stance with a senior MAFF official noting, "We will not show our hand until other member nations make concessions." This is Lamy's first visit to Japan since he came into office, but there is a slim chance of his visit producing results.

The WTO ministerial meeting ended in failure on July 1. US Trade Representative Schwab expressed her dissatisfaction: "There are too many exceptions. There is a long way to go before agricultural talks make progress." She criticized farm produce importers for "asking for exceptional treatment on too many products, blocking negotiations from making progress." She called on them to make substantial concessions.

19) ROK survey boat leaves Japan's EEZ

MAINICHI (Page 2) (Excerpts)
July 6, 2006

Akiko Horiyama, Seoul

A South Korean government official yesterday revealed that a South Korean survey boat, which had continued exploring the waters near the Takeshima/Dokdo islets, completed its research, which was conducted by dropping a device to the seabed, and left Japan's territory near Takeshima at around 2:10 p.m., according to Yonhap news agency.

20) Japan notifies ROK of protest survey plan

MAINICHI (Page 2) (Full)
July 6, 2006

By Tomoko Onuki

The government yesterday protested to South Korea against its survey of the marine current and waters near the Takeshima/Dokdo islets and conveyed to South Korea that as a counteraction, Japan plans to explore waters around Takeshima. The measures Japan took this time against the South Korean survey ship were, for instance, a Japan Coast Guard patrol boat calling on the South Korean ship to stop its survey by radio, instead of taking such tough measures as seizing the South Korean survey ship.

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Later in the day, Foreign Minister Taro Aso discussed the matter with South Korean Minister of Foreign Affairs and Trade Ban Ki Moon

on the phone and protested against South Korea: "It's regrettable that South Korea implemented the survey in spite of Japan's repeated call for the cancellation of the survey." Administrative Vice Foreign Minister Shotaro Yachi summoned South Korean Ambassador to Japan Ra Jong Yil to his ministry and told the ambassador: "Japan, too, will conduct a survey."

South Korea refused to halt the survey. But on North Korea's missile launches, both leaders confirmed that the two countries would work in close cooperation to deal with the matter.

SCHIEFFER